



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 5
77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604-3590

APR 08 2019

REPLY TO THE ATTENTION OF

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Tim Engels
Holmes Road Recycling Company, Inc.
2820 Holmes Road
Houston, Texas 77051

Re: Compliance Assurance Letter
Holmes Road Recycling Company, Inc.
Houston, Texas

Dear Mr. Engels:

The U.S. Environmental Protection Agency has found evidence that Holmes Road Recycling Company, Inc. (Holmes Road Recycling or "you") may be violating Section 608 of the Clean Air Act (CAA), 42 U.S.C. § 7671, and through this Compliance Assurance Letter advises that you should take the actions specified below to return to compliance with the CAA. In addition, EPA requests that you submit the documents specified below within 45 days of receipt of this letter.

EPA conducted an inspection at Holmes Road Recycling's facility on November 8, 2018. Based on this inspection, EPA found evidence that your facility may be violating rules or regulations under the CAA. We have enclosed a copy of the inspection report for your reference.

Rules and Potential Violations

On May 14, 1993, EPA promulgated 40 C.F.R. Part 82, Subpart F, which has since been updated. 58 Fed. Reg. 28712. Operations at Holmes Road Recycling's facility are subject to 40 C.F.R. Part 82, Subpart F.

40 C.F.R. Part 82, Subpart F, at 40 C.F.R. § 82.155(b) and (c) states:

(b) The final processor—i.e., persons who take the final step in the disposal process (including but not limited to scrap recyclers and landfill operators) of a small appliance, MVAC, or MVAC-like appliance—must either:

(1) Recover any remaining refrigerant from the appliance in accordance with paragraph (a) of this section; or

(2) Verify using a signed statement or a contract that all refrigerant that had not leaked previously has been recovered from the appliance or shipment of appliances in accordance with paragraph (a) of this section. If using a signed statement, it must include the name and address of the person who recovered the refrigerant and the date the refrigerant was recovered. If using a signed contract between the supplier and the final processor, it must either state that the supplier will recover any remaining refrigerant from the appliance or shipment of appliances in accordance with paragraph (a) of this section prior to delivery or verify that the refrigerant had been properly recovered prior to receipt by the supplier.

(i) It is a violation of this subpart to accept a signed statement or contract if the person receiving the statement or contract knew or had reason to know that the signed statement or contract is false.

(ii) The final processor must notify suppliers of appliances that refrigerant must be properly recovered in accordance with paragraph (a) of this section before delivery of the items to the facility. The form of this notification may be signs, letters to suppliers, or other equivalent means.

(iii) If all the refrigerant has leaked out of the appliance, the final processor must obtain a signed statement that all the refrigerant in the appliance had leaked out prior to delivery to the final processor and recovery is not possible. "Leaked out" in this context means those situations in which the refrigerant has escaped because of system failures, accidents, or other unavoidable occurrences not caused by a person's negligence or deliberate acts such as cutting refrigerant lines.

(c) Recordkeeping. The final processor of a small appliance, MVAC, or MVAC-like appliance must keep a copy of all the signed statements or contracts obtained under paragraph (b)(2) of this section on site, in hard copy or in electronic format, for three years.

During the November 8, 2018 inspection of Holmes Road Recycling, facility staff could not provide EPA inspectors with signed verification statements, contracts or evidence of on-site recovery equipment. Holmes Road Recycling did not have documentation that refrigerant had been properly recovered from appliances and motor vehicle air conditioners (MVACs) that once contained refrigerant prior to being delivered to the facility for recycling. By accepting appliances and MVACs that are empty of refrigerant without verifying the refrigerant's proper recovery, Holmes Road Recycling is not fulfilling all of the work practice and recordkeeping requirements of 40 C.F.R. § 82.155(b) and (c) at its Houston, Texas facility.

Actions to Ensure Compliance

In order to ensure compliance, Holmes Road Recycling should review and implement the applicable work practice and recordkeeping requirements contained within 40 C.F.R. Part 82, Subpart F.

In order to demonstrate to EPA that you have achieved compliance, no later than 45 calendar days from the date of receipt of this letter, EPA asks that Holmes Road Recycling submit to EPA the following information:

1. A description of the actions Holmes Road Recycling took in response to this letter that pertain to the regulations stated above, which could include, but are not limited to, adopting the following protocols:
 - a. Purchasing or locating equipment to recover refrigerant from small appliances, MVACs, and MVAC-like appliances, and training one or more employees of Holmes Road Recycling to use the equipment, or contracting the services of a trained individual to recover refrigerant.
 - i. If Holmes Road Recycling recovers refrigerant on-site, then you should:
 1. Ensure your suppliers have been notified in writing, for example, by using a sign that is prominently displayed at your weigh station, that you will recover refrigerant from appliances and MVACs delivered to Holmes Road Recycling;
 2. Recover refrigerant or attempt to do so for every small appliance, MVAC, and MVAC-like appliance delivered to Holmes Road Recycling with intact refrigerant lines;
 3. Use EPA-certified refrigerant recovery equipment; and
 4. Retain copies of receipts for all refrigerant you collect and send to another company for reclamation.
 - b. Ensuring that your suppliers have been notified in writing that you will not accept small appliances, MVACs, or MVAC-like appliances with cut or dismantled refrigerant lines unless the supplier can certify, using a signed statement or, in the case of suppliers with whom Holmes Road Recycling has had a long-standing business relationship, a contract that the refrigerant was properly recovered;
 - c. Rejecting small appliances, MVACs, or MVAC-like appliances with cut or dismantled refrigerant lines unless its supplier can certify, using the signed statement or contract, that the refrigerant was properly recovered prior to cutting or dismantling the refrigerant lines;
 - d. Rejecting small appliances, MVACs, or MVAC-like appliances with cut or dismantled refrigerant lines if you know or have reason to know that the signed statement or contract is false and the refrigerant has not been properly recovered; and

- e. Maintaining records, including electronic or hard copies of signed statements and contracts, for three years.
2. Copies of a signed statement template and, for suppliers with whom Holmes Road Recycling has had a long-standing business relationship, a contract template, that comply with the requirements of 40 C.F.R. § 82.155(b).

Holmes Road Recycling should send all reports requested by this letter to:

Attention: Compliance Tracker (AE-18J)
Air Enforcement and Compliance Assurance Branch
U.S. Environmental Protection Agency, Region 5
77 W. Jackson Boulevard
Chicago, Illinois 60604

This letter is not subject to the Paperwork Reduction Act, 44 U.S.C. § 3501 *et seq.*, because it seeks information from specific individuals or entities as part of an administrative investigation. You may assert a claim of business confidentiality under 40 C.F.R. Part 2, Subpart B for any part of the information you submit to EPA in response to this letter. Information subject to a business confidentiality claim is available to the public only to the extent, and by means of the procedures, set forth at 40 C.F.R. Part 2, Subpart B. If you do not assert a business confidentiality claim when you submit the information, EPA may make this information available to the public without further notice. You should be aware, moreover, that pursuant to Section 114(c) of the CAA and 40 C.F.R. §§ 2.301(a) and (f), emissions data, standards and limitations are not entitled to confidential treatment.

Please note that this letter is not an enforcement action under the CAA. If Holmes Road Recycling fails to address the concerns stated in this letter and the concerns are later found to be violations of the CAA, EPA may initiate an enforcement action, seeking all appropriate legal remedies available under the CAA, including injunctive relief and civil penalties.

The EPA contacts in this matter are Natalie Topinka and Scott Connolly. You may contact either of them at (312) 886-3853 or topinka.natalie@epa.gov, or (312) 886-1493 or connolly.scott@epa.gov, respectively, if you have additional questions.

Sincerely,



Sara J. Breneman

Chief

Air Enforcement and Compliance Assurance Branch

Enclosure

cc: Steve Thompson, EPA Region 6

CERTIFICATE OF MAILING

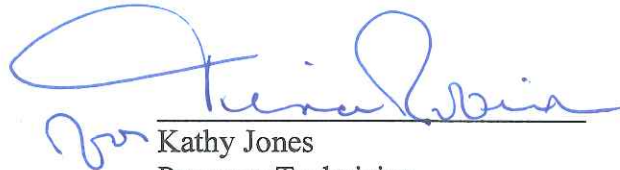
I certify that I mailed Compliance Assurance Letter to Holmes Road Recycling by Certified Mail, Return Receipt Requested, to

Tim Engels
Holmes Road Recycling
2820 Holmes Road
Houston, Texas 77051

I also certify that I sent a copy of the letter by E-mail to:

Steve Thompson
EPA Region 6
thompson.steve@epa.gov

On the 8th day of April 2019.


Kathy Jones
Program Technician
AECAB, PAS

Certified Mail Receipt Number: 70181830000054145908



**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5
77 WEST JACKSON BOULEVARD
CHICAGO, ILLINOIS 60604**

DATE: DEC 06 2018

SUBJECT: CLEAN AIR ACT INSPECTION REPORT
Holmes Road Recycling Company, Inc., Houston, Texas

FROM: Scott Connolly, Environmental Engineer
AECAB (IL/IN)

THRU: Nathan Frank, Section Chief
AECAB (IL/IN)

TO: File

BASIC INFORMATION

Facility Name: Holmes Road Recycling Company, Inc.

Facility Location: 2820 Holmes Road, Houston, Texas 77051

Date of Inspection: November 8, 2018

EPA Inspectors:

1. Scott Connolly, Environmental Engineer
2. Natalie Topinka, Environmental Scientist

Other Attendees

1. Tim Engels, Operations Manager, Holmes Road Recycling

Contact Email Address: tim.engles@holmesroadrecycling.com

Purpose of Inspection: To determine compliance with the Clean Air Act

Facility Type: Metal shredding and recycling yard

Regulations Central to Inspection: 40 C.F.R. Part 82, Subpart F: Recycling and Emissions Reduction

Arrival Time: 3:15 pm

Departure Time: 4:35 pm

Inspection Type:

- ☒ Unannounced Inspection
- ☐ Announced Inspection

OPENING CONFERENCE

- ☒ Credentials Presented
- ☒ CBI warning to facility provided

The following information was obtained verbally from Tim Engels unless otherwise noted.

Process Description:

The facility purchases and processes scrap metal received by truck from feeder yards, industrial clients and from the general public. Scrap inspectors check the incoming metal items for non-conforming material during unloading into scrap piles, depending on material and available space. Larger scrap pieces are torch cut into sizes that can be fed into the shredder. The shredder processes the piles of ferrous postconsumer and industrial scrap. Cranes load scrap metal onto a conveyor, which feeds the metal into the hammermill shredder. The hammermill is equipped with an automatic water injection system, which sprays water into the shredder to reduce dust and to cool the metal. Shredded metal exits the shredder and is fed through a magnetic separator, which separates non-magnetics from ferrous metal. Eddy current separators removes nonferrous metals from non-metallic fluff that is sent to a landfill. Air emissions from the hammermill shredder are controlled by a dedusting baghouse and stack.

Staff Interview: The facility intends to have all appliances properly drain prior to arrival, but facility staff stated that it also operates refrigerant recovery equipment to recover refrigerants and verify that refrigerants have been recovered. Mr. Engels stated that the facility maintains contracts with several appliance recyclers require the supplier to recover refrigerant and that a verification statement may be used with other suppliers. The facility operates a 1750 horsepower diesel engine to power its hammer mill shredder. The shredder was purchased recently from an existing operation and started processing scrap in June 2018. The facility does not feed cars into the shredder and instead soft crushes them for transport to a larger shredding facility.

TOUR INFORMATION

EPA toured the facility: Yes

Data Collected and Observations:

Facility staff were unable to locate the refrigerant recovery equipment or the technician that operates the equipment. An intact air conditioning unit was observed on site. Visible emissions were observed exiting the shredder infeed hood above the infeed conveyor.

Photos and/or Videos: were taken during the inspection.

A photo log is contained in Appendix A.

Field Measurements: were not taken during this inspection.


CLOSING CONFERENCE

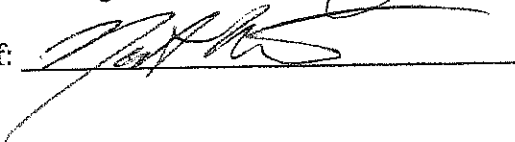
Requested documents:

- Contracts between Holmes Road Recycling and appliance suppliers
- Verification Statement
- Verification of onsite refrigerant recovery
- Documentation of use of refrigerant recovery equipment

Compliance Assistance: The facility was provided a copy of 40 C.F.R. Part 82, Subpart F.

SIGNATURES

Report Author:  Date: 11/28/18

Section Chief:  Date: 12/6/18

Facility Name: Holmes Road Recycling Company, Inc.
Facility Location: 2820 Holmes Road, Houston, Texas
Date of Inspection: November 8, 2018

APPENDICES AND ATTACHMENTS

1. Appendix A: Digital Image Log

Facility Name: Holmes Road Recycling Company, Inc.
Facility Location: 2820 Holmes Road, Houston, Texas
Date of Inspection: November 8, 2018

APPENDIX A: DIGITAL IMAGE LOG

1. Photographer Name: Natalie Topinka	2. Date of Inspection: November 8, 2018
3. Company/Facility Name: Holmes Road Recycling Company, Inc.	4. Street Address, City, State: 2820 Holmes Road, Houston, Texas
5. Number of Images: 5	6. Archival Record Location: https://usepa-my.sharepoint.com/:f/g/personal/connolly_scott_epa_gov/EknHP8VL2NBIGJV-wxeGI3ABA3PUhVrdg7-EHkwhMp6slQ?e=4CcIoJ

Image Number	File Name	Date and Time	Latitude and Longitude	Description of Image
1	PB080065.JPG	11/8/2018 17:15	29.68, -95.325556	Holmes Road Recycling sign and entrance
2	PB080066.JPG	11/8/2018 18:01	29.673333, -95.385556	Intact Air conditioning unit
3	PB080067.JPG	11/8/2018 18:01	29.673037, -95.385782	Holmes Road Recycling facility overview
4	PB080068.JPG	11/8/2018 18:02	29.67289, -95.385693	Holmes Road Recycling stack pile
5	PB080069.JPG	11/8/2018 18:03	29.672778, -95.385556	Visible emissions exiting the shredder